Transportation Finance Issues
How are transportation revenues forecast?

Forecasting for gas taxes and vehicle registration fees

- An "econometric" model, consisting of historical data and economic variables, is used to forecast gas consumption and vehicle registrations on a quarterly basis.

- Gas taxes and vehicle registration fees represent over 93% of all the state transportation revenue collected.

Forecast model for gas tax revenue

- Projected gas tax revenues are the product of two things:
    - projected gasoline and diesel fuel consumption
    - current and forecast gas tax rate

- Gasoline consumption is derived from the number of registered autos and a forecast of vehicle miles traveled (VMT) per auto.

- Diesel fuel consumption is based on the index of industrial production.

Forecast model for registration fee revenue

- Registration fee revenues include those for automobiles and trucks. Auto and truck registration revenues are a product of:
    - flat registration fee for automobiles
    - average registration fees for heavy trucks
    - projected number of autos and trucks registered

- Projected auto registrations are based on several factors that include the real price of vehicles, real disposable income, the unemployment rate and the Index of Consumer Sentiment.

- Projected truck registrations are based on real personal income and the unemployment rate.

Revenue forecasts are used to develop budgets

Wisconsin relies on revenue forecasts to help develop biennial budgets. Final state revenue estimates used in the 2003-2005 biennial budget are shown below.

	Fiscal Year 2004	Fiscal Year 2005
Opening balance	22,211,700	1,431,900
Motor fuel tax	926,000,600	984,196,600
Registration fees	429,079,400	448,542,100
Less revenue bonds	(127,229,000)	(141,067,800)
Balance of registration fees	301,850,400	307,474,300
Other department revenues	95,177,900	109,456,800
Total annual revenues	1,323,028,900	1,401,127,700
WisDOT expenditures	1,343,808,700	1,402,187,700
Ending balance	1,431,900	371,900

Created on 08/15/2003